

21 February 2001

Advance Agreement
Between the
Defense Contract Management Agency
and
Lockheed Martin Corporation

for the

Implementation and Maintenance
of
Earned Value Management Systems

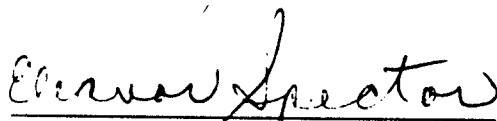
This document establishes an Advance Agreement between the Defense Contract Management Agency (DCMA) and Lockheed Martin Corporation (LMC) regarding the implementation and maintenance of Earned Value Management Systems within LMC. DCMA, as DoD Executive Agent for EVMS, recognizes LMC's Corporate ownership of and commitment to Earned Value Management through implementation of Corporate Policy Statement CPS-026, "Program Performance Management". CPS-026 mandates the DoD adopted American National Standard ANSI/EIA 748-98, "Industry Guidelines for Earned Value Management Systems", to satisfy DoD and NASA requirements: DoD 5000.2R policy, DFARS 252.234-7000 & DFARS 252.234-7001 Earned Value Management System requirements, DFARS 252.242-7005 & DFARS 252.242-7006 Cost/Schedule Status Report requirements, NASA Policy Document NPD 9501.3, NASA FAR Supplement 1852.242.74 & 1852.242-75 Earned Value Management System, 1852.242-77 & 1852.242-76 Modified Cost Performance Report.

DCMA and LMC agree that:

1. CPS-026, "Program Performance Management", shall be followed for all Lockheed Martin Government contracts, that require earned value management. LMC will maintain the CPS-026, "Program Performance Management", as an EVM business process. CPS-026 is not an Earned Value Management System, but is corporate policy to LMC business units regarding Earned Value Management Systems. CPS-026 adoption of the ANSI/EIA Guidelines is recognized by NASA as satisfying the intent of NPD 9501.3, Earned Value Performance Management.
2. CPS-026 revisions shall be disclosed to the DCMA Lockheed Martin Defense Corporate Executive (DCE) at least 14 days prior to the effective date of implementation.
3. Lockheed Martin and DCMA will jointly pursue consistent Program Performance Management utilizing Lockheed Martin Self Assessment, Joint Lockheed Martin/DCMA system surveillance (risk handling) and corporate audit activity.

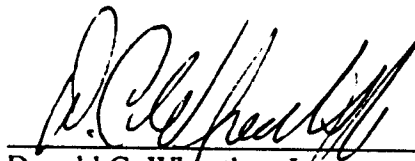
4. EVM system changes, recognition of compliance, implementation and maintenance will be controlled by the LMC EVM System owner and DCMA cognizant business unit ACO.
5. Requests for DCMA EVM System reviews will first be coordinated directly with the LMC business unit EVM Point of Contact (POC) and cognizant business unit ACO, or his/her designated DCMA EVM POC.
6. Existing business unit EVMS Advance Agreements may either be retained as a supplement to this Corporate Advance Agreement or may be superseded by this Corporate Advance Agreement by the written mutual agreement of the cognizant business unit ACO and LMC.
7. On February 21, 2001 this Advance Agreement was modified by the mutual consent of the parties to reflect the participation of NASA. This document supersedes all previous versions of this Advance Agreement.

This Advance Agreement will remain in place indefinitely, subject to modification by the written mutual agreement of the parties or unilateral termination by either party. Either party may terminate this agreement by providing thirty (30) days written notice to the other party, prior to deviating from the terms and conditions of this Advance Agreement.



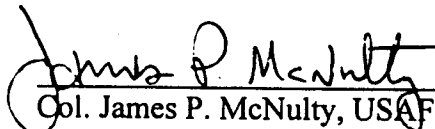
Eleanor R. Spector
Vice President, Contracts
Lockheed Martin Corporation

Date: 2/21/01



Donald C. Wheatley, Jr.
Acting Defense Corporate Executive
Defense Contract Management Agency

Date: 2/21/01



Col. James P. McNulty, USAF
DCMA Lead Commander

Date: 21 Feb '01.